



Steven L. Beshear  
Governor

Robert D. Vance, Secretary  
Environmental and Public  
Protection Cabinet

Timothy J. LeDonne  
Commissioner  
Department of Public Protection

Lonnie E. Bellar  
E.ON U.S. Services, Inc.  
220 West Main Street  
Louisville, KY 40202

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

January 30, 2008

RE: Case No. 2007-00410

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/tw  
Enclosure



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Commissioner

Honorable Dennis G. Howard II  
Assistant Attorney General  
Office of the Attorney General Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

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Honorable Allyson K. Sturgeon  
Attorney at Law  
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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY FOR ) CASE NO. 2007-00410  
APPROVAL OF A REVISED COLLECTION )  
CYCLE FOR PAYMENT OF BILLS )

O R D E R

On December 18, 2007, the Commission issued an Order denying Louisville Gas and Electric Company's ("LG&E") request to revise its gas and electric tariffs to reduce the time allowed for bill payment from 15 days to 10 days from the date the bill is rendered. In that Order, the Commission stated that LG&E should have that taken into consideration the additional mailing time required for customers to send their payments to Atlanta, Georgia<sup>1</sup> and required LG&E and its sister company, Kentucky Utilities Company ("KU"), to file a new plan for a fully unified customer care system ("CCS") within 90 days of the date of the Order.

On January 10, 2008, LG&E filed motions to reconsider and modify the December 18, 2007 Order and to schedule an informal conference. An informal conference was held on January 15, 2008 with all parties in attendance.

In support of its motion to reconsider, LG&E provided a study performed by Phoenix-Hecht which shows that the average mailing time for a letter from Louisville to Louisville was 1.96 days, while for a letter from Louisville to Atlanta was 2.79 days.

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<sup>1</sup> LG&E and Kentucky Utilities Company have outsourced payment processing to an Atlanta, Georgia company.

LG&E also provided additional information regarding the operation of the payment processing center in Atlanta.

In addition, it is apparent from LG&E's January 10, 2008 motions that it interprets the requirement to file a plan for a "fully unified CCS" to mean that it must synchronize "all of the Companies' tariff-related policies and processes, rates, terms, and conditions."<sup>2</sup> LG&E states that it would be impossible to achieve such synchronization outside of a general rate case because many of the policies and processes impact revenues, which impact revenue requirements.

After reviewing the evidence and being otherwise sufficiently advised, the Commission finds that the use of the term "fully unified CCS" in its December 18, 2007 Order was intended to mean that LG&E and KU should have the same collection cycle and late payment policy, not that the two utilities should have the same policies, processes, and rates. Due to the apparent ambiguity in the December 18, 2007 Order, LG&E's motion for reconsideration should be granted.

IT IS THEREFORE ORDERED that:

1. LG&E's motion for reconsideration is granted.
2. Any party who wishes to file a proposed procedural schedule shall do so within 7 days of the date of this Order.

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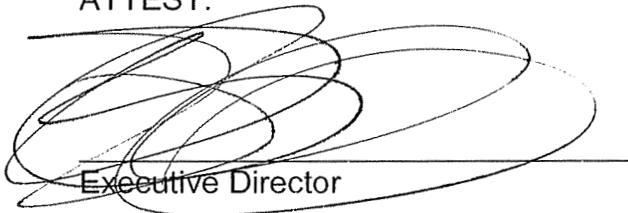
<sup>2</sup> LG&E's Motion to Reconsider, filed January 10, 2008, at 7.

Done at Frankfort, Kentucky, this 30th day of January, 2008.

By the Commission

Commissioner Clark Abstains

ATTEST:



Executive Director